

EX A

(3 OF 14)

To: Bob McDowall
Director

Jerry Barocas
Project Manager

P.I. Customer Services Systems
Wichita Information Systems Center

MP4011070383

Re Information For Information Systems Interchange

I thought I would go ahead and try and provide a single response to both of your memos. I will address the issues raised in Jerry's memo first.

Type of Telephone Switch

Tulsa has a current *"state of the art"* ROLM 9751 - Model 50 Switch with software release 9005.1.73. It is a fully redundant system currently supporting approximately 550 extensions and 27 ACD groups with approximately 130 members.

Voice Messaging

We are using ROLM *PhoneMail*, Release 4.2. It is used for:

- Extensive voice messaging and communications with use of "system" distribution lists to communicate messages and information to large groups of employees
- Night Service
- Announcement/Answering for Inactive 800 Numbers
- Announcement/Answering for ACD Groups during Meetings, etc.
- Call Processing. (*Voice Response*) answering for Medical Management Center - Numerous Caller Selections (See Attached)
- Offers option to leave message rather than wait in queue for some ACD groups

PhoneMail Release 5 will soon be installed which will allow *Class of Service* profiles to be established for voice mail users. This will simplify establishment of voice mail boxes and provide consistency in individual mailbox profiles. This new upgrade will also provide the opportunity to have messages classified as *"urgent"* and will even deliver them to an offsite phone (home).

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Taping and/or Listening Equipment

Due to the sensitive nature of the "taping" issue, I would prefer that we don't discuss much of what we're presently doing. I would like to see us install total recording to capture all calls. This technology has now gone digital bringing the potential for "voice authorization" (*not voice recognition*) closer to a possibility. For the present, I would just prefer to say we can currently "monitor" or listen to ACD member phones by "plugging in" or listening from a supervisor's phone.

Kinds of Data Capture by Telephone Equipment

A wide range of data is captured by the phone system. There are "switch" reports available directly through the CBX. The CBX also generates a wide range of trunk and ACD reports. The *PhoneMail* system also generates reports and information relating to utilization of that system.

In addition, our system is equipped with *CallStat* and *Scheduler/Forecaster*. These systems utilize separate IBM PS/2 PC's and gather "historical" information from the ACD. They also enables this information to be grouped and reported differently than it can be coming directly from the ACD. On the forecasting side, it uses historical data to project staffing needs and provide some scheduling capabilities.

CallDisplay will be installed shortly. This systems uses and IBM PS/2 which will provide better "real time" display and management of CSR activities. This system allows the work status of CSRs to be displayed to the supervisors in a much better format. It also allows for "alarms" to be sounded at the supervisors terminal when various thresholds are crossed. It also supports "message boards" which will provide all CSRs with a visible display of the number of calls in queue, time of oldest call, etc. It also permits communication of various messages on the boards.

Current Number of CSRs and Staffing Plans

We presently have 51 Customer Service Representatives and 5 Resource CSRs. At this time, there are no plans to hire any additional CSRs and it is anticipated that we will incur losses due to attrition and job posting. The objective that was previously established for this site was to reduce the number of Teleservicing employees by 15 in 1992. We are down 5 from January 1, 1992.

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Anticipated Number of Telephone Calls in 1992

At the present time, *there is no ongoing notification for approximately 40% of our households.* There are also no formal plans in place to proceed with renotification in 1992. This may or may not change as a result of the reorganization. Based on current experience, we are currently projecting approximately 435,000 calls for 1992. This excludes renotification and any other special projects that might be given to Teleservicing during 1992.

Blockage

Blockage refers primarily to the number of callers and/or percent of calls who actually receive a "busy" signal. In some cases statistics are available from the phone company to provide the actual number of callers receiving a busy. Enclosed is a report we receive which shows the number and percent of "*completed*" calls versus "*attempts*." This is somewhat different. It does not necessarily mean the caller encountered a busy signal. If the call was attempted but failed to get through for a variety of reasons including difficulty anywhere in the network, it was a "*attempted but not completed*." Our completion rate is 94%.

Another way to monitor "blockage" internally is through *All Trunks Busy* statistics. In otherwords, a busy signal should not be encountered unless all incoming trunks are busy. Traditionally, we have encountered very little time when all trunks were busy. However, this is monitored *on a daily basis*. *The number of trunks must be adjusted for both traffic and staffing.*

Special Support Campaigns

Attached is a memo from Chuck Skipper which outlines most of these activities for the past year.

Bob, between the above and the material I am enclosing, I think I will have answer most of your questions on item #1. If you feel I have not, or would like more specific information, please let me know.

#2 - Staffing Issues

Type of Staff - For the most part, our staff consists of full-time people. Ideally, we would want to have a group of flexible, variable part-time people that could be utilized as traffic dictates. Thus far, our training demands for full-time people have not made it practical to attempt training any significant number of part-time employees. In addition, we want part-time people to work full-time during training. Considering the tremendous training investment, we must find part-time people who have a strong likelihood of remaining in the position for some time.

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Retention - is related to a lot of factors, the most important of which is selecting the right person initially. We need to find people with a high degree of intelligence, who like to work on the phone and have excellent "people skills." We feel we have made great progress in this area. But, we are currently working with LOMA to develop selection testing tools for Customer Service Representatives. This has been an ongoing project for about the past year. We are expecting that we may be provided with the finished product by year end 1992.

Training Issues - Training issues are endless. In spite of the heavy upfront training, the ongoing training is a killer. Enclosed is a package we put together which outlines some of our training needs.

Teleservicing Objectives and Future Plans

For the most part, there were no specific "corporate" objectives with respect to Teleservicing as a whole. This should change with the reorganization and the fact that Customer Service now falls under the responsibility of a single Senior Vice-President. Within Teleservicing, there were many objectives, primarily focused around continuing to get better at what we were doing and further enhance and develop our electronic systems. A lot of hope for the future rests with the *Single Image* pilot.

Key Issues and Concerns

- We need to develop a long term Corporate P.I. Customer Service strategy. Included in this should be the long term goal and objectives for what we hope to accomplish with Teleservicing.
- The development of a "*defined level of service*" and associated standards which apply to both sites. There needs to be a "Corporate" standard as to the level of service with Teleservicing is expected to deliver with corresponding uniform measurements to determine if that level of service is being met.
- Further expansion (*ongoing notification*) of 800+MET-LIFE. Promotion of the number and the service we can provide.
- Move more of our work and transactions to the phone. Continue to eliminate the paper requests and transactions. Eliminate needless signature requirements and use the call record to support the transaction.
- Assess our overall Customer Service and support operations independently with respect to our service objectives. We need to measure all our decisions relative to our service objectives and not just view staffing or expenses as a separate issue. We need to know the "*expense impact of our service decisions*" and the "*service impact of our expense decisions*."

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- Develop the effort and the programs to have Teleservicing contribute more to the "bottom line" in terms of generating interest in and sales of our products.

Bob, I could probably go on for pages if I really thought about it. However, I'm not exactly sure how you want to focus your presentation. After you have reviewed this material, let me know if you want more specific information some of these areas.

J. L. Rayl
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

March 13, 1992

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Frank Lynch
Senior Vice-President
Customer Services

Re P.J. Expense Task Force

Frank, I hesitate in writing, but I think this situation clearly illustrates why I took the initiative to send you the material I did. Perhaps except for the time when Teleservicing was reporting to Vince, it has been routinely criticized, accused, indicted, and convicted without benefit of a trial by a few critics who want to manage our operations the way we did 20 years ago. The attached page is from the Task Force report on potential expense savings. I received this while at the CMO tour and took the opportunity to express my disappointment to Bob Crimmins.

This report states that a \$2,000,000 savings could be achieved if we did "retraining" to reduce our After Call Work Time by two minutes to bring it in line with Warwick's. It also makes a number of other statements which are totally erroneous and misleading. Before any conclusions or assumptions are made, the following points need to be considered:

- No member of that Task Force came out here to review our operation.
- The Warwick/Tulsa time differences and other staffing/expense related criticisms have been voiced in the past. In response, I prepared the booklet I sent to you on Teleservices staffing considerations. It went to a number of people in an effort to try and educate them as to the numerous complexities involved. Unfortunately, it does not appear that this effort was very successful.
- There has been no *"defined level of service"* and associated standards established for Teleservicing which apply to both sites. We have developed our own standards independently and there are philosophical differences. On what basis was it determined that the After Call Work number in Warwick represents the appropriate permanent standard? Just because it is lower?

Kathy and I would both welcome clearly defined service standards and objectives. Until these are established, we are both trying to achieve what we believe is the appropriate level of service and our focus may be on different issues at different times. Uniform standards need to be established, but not just the *NUMERICAL* ones. We should have generally defined standards as to how each transaction should be handled and what it should include.

- The month after the difference was two minutes - it was down to ONE. As illustrated in my report, After Call Work time is also a product of CSR experience level. As a new CSR class comes on the phone, the times go up. It is a fluctuating measurement.

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- It was stated that 70% to 80% of the calls *"are relatively simple, status type inquiries."* On what basis was this statement made? It is definitely not true and if this assumption was based on the "Transaction Codes" on the monthly report, the person doesn't understand the report. There are an average of about 2.1 transactions per phone call. While many of these involve a "status" or other "simple" activity this is usually the *secondary* transaction. I defy these people to come and sit with a CSR for a few hours and then tell anyone that the majority of their calls are "simple."
- Teleservices was accused of *"not living up to its potential"* and having a *"lack of vision."* Neither Tulsa nor Warwick have ever suffered from a lack of vision as to the potential of Teleservicing. For a variety of reasons, Teleservices has suffered from a lack of *consistent* Corporate direction and support necessary to fulfill that vision.
- It is stated that there is *"inadequate use of available technology."* On what basis is this statement made? I suspect it is the old "Voice Response" technology issue which we have addressed numerous times. Those who don't know the work keep saying it should be used more heavily but these same people offer no solutions to the security and consumer dissatisfaction issues that accompany it. Teleservicing has *consistently* explored new technology and has recommended numerous changes to our systems and hardware which have gone unanswered. *(A laser produced - pre-completed "Turnaround" document is but one example.)* "Single Image" processing which we are strongly advocating is "leading edge" technology for our business and application.
- The report suggests an "indepth analysis." This I would welcome provided it is done by individuals who are objective and will address the real issues.

Frank, I do not for one minute profess that we are perfect and cannot realize additional savings and operating efficiencies. There are many opportunities we need to address. But for people to say the answer is as simple as reducing "After Call Work Time" is absurd. There are many, many issues involved. We need service standards, we need a long term strategy, we need to remain prepared to handle the many "special projects" that we are consistently called upon to support and we need to move more of our existing work to the phones. If we are going to be criticized, it should at least be by people who thoroughly understand our operation and have had the courtesy to look at it.

Our business and our operations have changed. Being on the "front line" with real live customers day in and day out has given us very new perspectives as to what constitutes *Quality* customer service. While numbers are important and must be managed, we should not be trapped into our past practices of placing so much emphasis on the numbers that they are the *only* measurement that gets attention because they are so easily compared. The numbers are one management tool, just as measuring customer satisfaction is another.

J. L. Rayl
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

March 12, 1992

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EXECUTIVE SUMMARY**Teleservicing Natural Work Team Meeting****I. Teleservicing Direction**

The Teleservicing Natural Work Team met in the Northeastern Head Office from February 13, 1990 through February 15, 1990 to discuss key teleservicing issues and to determine the direction that should be taken for 1990 and beyond.

In attendance were Bob Szigethy from New York; Kathy Schoos, Paula Knott, Joyce Long and Diana Davies from Warwick; Jim Rayl, Jerri McCraw, Barbara Goodwin and Carla Hanes from Tulsa; and Bob McDowall, Angelo Ponce, Nancy Green and Ray Saunders from Wichita. Vince Donnelly, John Abela and Nathan Vogel were present for a portion of the meeting.

During the meeting, several strategic issues were discussed relative to the expansion of Teleservices. Although covered briefly in this summary, these are detailed further in Attachment A. A list of action items were identified and assigned which are outlined in a "To Do" list which can be found in this document as Attachment B. A list of electronic needs were identified which can be found as Attachment C.

It was decided that the main focus of Teleservicing for 1990 would be on nationwide expansion, while continuing to provide quality service to all Personal Insurance customers - especially those that Metropolitan has not been in touch with for a long time.

Key issues for which the Natural Work team determined a direction are:

- o Policy Conservation - The Natural Work Team believes that the conservation of business through Teleservicing offers a strategic advantage to Metropolitan. During expansion and beyond, Customer Service Representatives will continue to make every effort to conserve business. To measure the results of these efforts an electronic tracking system is needed. The business requirements for such a system will be defined in 1990.
- o Account Representative and Sales Office Support - In the absence of any Corporate direction, it was the consensus of the Natural Work Team that Customer Service Representatives will not provide service to Sales Offices or Account Representatives during the expansion period. It is not clear whether or not this support should be a Teleservicing function. This issue may be revisited at a later date. If it is determined that Teleservicing should handle inquiries from the field force, we will need to develop consistent procedures for handling the calls and consider the impact in resource and capacity planning.
- o Customer Surveys - Customer feedback is needed to ensure quality service. Customer surveys to gather this feedback will be conducted periodically throughout 1990 and beyond. The Natural Work Team is bringing this issue forward since funds for this project were not set aside in the 1990 budget.
- o Voice Response - The Natural Work Team recommends that the Voice Response pilot which quotes Universal Life unit values be continued in CEHO, and that any additional voice response pilots be deferred until after expansion.

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II. Open Issues

Issues that need the support of management are:

- o **Sales Lead Generation** - The Natural Work Team envisions that the identification and development of financial services needs through Teleservicing will become an important strategic advantage for Metropolitan in the future. However, resources are not available during expansion in 1990 to implement an effective sales lead program.

The group believes that the future success of a sales lead program is dependent upon the development of a comprehensive sales lead plan. An integral part of this plan is an incentive compensation program for the CSR. The group is seeking Mr. Donnelly's direction and support in the development of such a program. The compensation program needs to be in place by the time expansion is complete and we are ready to go forward with sales lead generation.

- o **Complaint Tracking** - Teleservicing provides a unique opportunity to serve as a central focal point to gather, record and track customer feedback and complaints. It is felt that in the past this opportunity has been missed, as the complaint information provided by Teleservicing has, for the most part, been ignored. The Natural Work Team is recommending that upper management take immediate action in 1990 to identify a Corporate or Personal Insurance entity which would review these complaints and track results. This entity must have the authority to seek corrective action and changes in areas throughout the company.
- o **Special Campaign Support** - As the primary focus of Teleservicing in 1990 will be on nationwide expansion, the introduction of special campaigns during the period must not jeopardize this purpose. Teleservicing must be brought into the planning process for all special campaigns involving Teleservicing resources. The Natural Work Team is asking for the support of upper management in gaining a seat in the planning process for future campaigns.

Other issues that upper management should be aware of are:

- o **Electronic Resource Utilization** - Resources designated for Teleservicing are used occasionally to support other Personal Insurance customers such as Field Payroll and PHI/EBP.
- o **Duplication of Teleservicing Function** - A unit exists in NCAO which appears to be duplicating the services offered by the CEHO and NEHO Teleservicing units. This unit handled 50,000 calls in 1989.
- o **CSR Recording** - The recording of and listening to calls handled by Customer Service Representatives is essential to maintaining a quality Teleservicing operation. The group wishes to make upper management aware that extensive call recording and auditing activity is part of both Teleservicing organizations today and will continue to require ongoing resources.

A more detailed discussion of many of the above issues can be found in Attachment A.

III. Non-budgeted Expenses

Teleservices is committed to the following activities which are not included in the 1990 budget:

- o **Customer Surveys** - The cost of the recent survey conducted by Personal Insurance Market Research was \$15,500. The costs for additional surveys to be conducted in 1990 have not yet been determined, as the scope and frequency of these surveys have not been established.
- o **Industrial Campaign** - The impact on staffing and phone expense to support the Industrial Family Reunion Campaign is not known.
- o **CallPath** - CallPath is an IBM product installed in CEHO which ties telephone activity to mainframe CICS applications. This product facilitates the transfer of telephone calls along with caller data recorded on Teleservicing Online Systems (TMOS) screens. The costs to Teleservices for this facility in 1990 will be approximately \$8,200.00.
- o **Complaint Tracking** - Nothing has been budgeted in 1990 for the establishment of any individual or organizational component charged with the responsibility of analyzing and assessing the feedback obtained through Teleservicing complaints.

The activities listed below should be considered in the 1991 budget. For the most part we do not have sufficient information to estimate the cost associated with these items.

- o Additional Voice Response units.
- o Sales Lead generation program including compensation incentives.
- o CSR call recording equipment to record all calls simultaneously.
- o Ongoing customer surveys.
- o Extending Teleservicing support to Account Representatives and Sales Offices.
- o CallPath - The cost for the hardware and software are amortized over a five year period with 1991 costs estimated at \$9,800.00.

IV. Electronic Support

Plans for the development of *Work In Process* (WIP), a separate electronic system which would manage work begun but not complete, were presented. During the discussion of this system two differing points of view emerged. Natural Work Team members from CEHO believe that electronic development resources should not be used at this time to develop a separate electronic system. They felt these resources could be put to better use by concentrating on changes to existing systems which would eliminate many of the pending transactions being proposed for tracking by *Work in Process*. CEHO felt that the primary focus should be the elimination of pending work and once that effort was complete, then concentrate on those transactions where there was a definite need for a tracking system.

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Team members from NEHO expressed a need for the electronic management of *Work In Process* activity, but want this facility to be incorporated within the TMOS application. They do not want to sign on to a separate system to view the status of *Work In Process* activity. The CEHO members supported the position that much of the pending work could be managed through TMOS. The Wichita Electronic Support Staff explained that development of the *Work In Process* system is a major Personal Insurance objective, and that they will continue with this activity.

The current electronic assignments were reviewed, a list of additional teleservicing agenda items were discussed, and an updated electronic activity list was created. The updated list can be found as Attachment C. Wichita will analyze the items on the list and formulate a work schedule by March 15, 1990.

Nancy Green
Teleservicing Natural Work Team
Wichita Information Systems Center

February 28, 1990

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TELESERVICING NATURAL WORK TEAM

STRATEGIC ISSUES AND CONCERNS

File Date: 2/28/90

Author: James L. Rayl

The Natural Work Team identified and addressed the major strategic issues and concerns associated with the future of Teleservicing and the immediate objective to complete the nationwide expansion as rapidly as possible. The final resolution of some of these issues is dependent upon additional direction and/or decisions at the Corporate level of Personal Insurance. The issues addressed are as follows:

SALES LEAD GENERATION

The group recognizes the marketing responsibility associated with Teleservicing. It believes that the increased customer contact through Teleservicing will provide substantial opportunity for the generation of sales leads to our Field Force. The identification and development of financial service needs through Teleservicing will become an important strategic advantage for Metropolitan and Personal Insurance.

Teleservicing provides two distinct avenues for the generation of sales leads. One method would be on the part of the Account Representative. The representative receives notification of virtually every call to Teleservices through the "Teleservicing Call Report" available through SONIC. This report is produced on an individual agency basis and provides the representative with the name of the caller, policy number, phone number and the nature of the call. It was the feeling of the group that this information provided the representative with an excellent tool for the development of sales opportunities. As a general strategy, the representative could contact the policyholder to "follow-up" on the call to Teleservices.

The second avenue is through the identification and development of sales leads by the CSR. However, it was the consensus of the group that the Company and Teleservicing would best be served by approaching CSR sales lead generation from a "service perspective" as opposed to using a "telemarketing" approach in the midst of a service related call.

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Considerable experience has been gained in the past on various approaches to sales lead generation. Based on this experience, a number of problems have been identified with the "direct" lead generation approach. Among these is high resistance on the part of the CSR's to try and deal with "selling" in addition to "servicing." Also, because of the marginal quality of some leads generated under the "selling" approach, past experience has been that all leads tended to suffer a credibility problem with the Account Representatives.

By using a "service" approach to sales lead generation, it is still believed that Teleservicing can generate substantial numbers of *high quality* sales opportunities. However, the development of an effective program will require extensive resources and experimentation.

Before implementing a sales lead program, it is believed that the CSR's should have sufficient experience in handling the immediate service needs of the customers. It is also felt that a much more successful program can be developed by having CSR's thoroughly trained to recognize and discuss *major life events* or circumstances that create a potential financial service need. It is believed that policyholders will be much more receptive to a well executed "service" approach for generating leads as opposed to randomly trying to generate sales leads through a "telemarketing" approach.

The group feels that we can ultimately achieve higher customer satisfaction and generate *more business* by maintaining the perception with the customer that we are providing "service" on 800 + MET-LIFE. We want to avoid the perception that our primary reason for providing the service is to generate sales.

Recommendation/Action

It is the feeling of the Natural Work Team that the development and implementation of an effective sales lead program within the above framework will require extensive time and resources. It is believed that this would be an impossible task during the 1990 expansion effort. Therefore, it is the intent of the Natural Work Team not to make any changes to the existing sales lead efforts during 1990.

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The group feels the success of any sales lead program will be dependent upon the development of an effective incentive compensation program for the CSR. The group recommends that this compensation program be in place by the time we are ready to implement a new sales lead program.

The group is seeking support in the form of understanding our position with respect to sales lead generation during 1990. Within this context, there may be a need to dissuade attempts to implement any type of lead generation program in Teleservices in 1990. Additionally, it is believed that Mr. Donnelly may be able to provide direction and possible resources for the development and implementation of the incentive compensation program.

ACCOUNT REPRESENTATIVE AND SALES OFFICE SUPPORT

At the present time, the two Teleservicing sites have taken different approaches to handling calls from Account Representatives and sales offices. Both sites initially started with the position that 800 + MET-LIFE was strictly for policyholder calls. Over the years it has evolved that Tulsa would respond to reasonable representative or sales office calls.

It was found that this approach tended to make the concept of Teleservicing less threatening to the Field Force. At the same time, it provided an additional level of support to the Representatives for product or transaction information that was often not readily available.

In 1989, Tulsa answered 8,099 calls from sales offices/representatives with 937 of these being answered in December. Northeastern has maintained its position that these calls will not be accepted in Teleservices.

The Natural Work team discussed several aspects of this issue. It was generally agreed that the Field Force probably did need some additional support with respect to many of the types of inquiries being received in Teleservices. At the same time, there was no consensus as to whether or not Teleservicing was the appropriate vehicle to provide this support.

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The major concern expressed to the Natural Work Team is that providing support to the sales offices and/or sales representatives is not included in the staffing and expense projections completed for Teleservicing. In addition, there was a need for a definitive policy on accepting these calls. It would not serve the interests of Teleservicing or the Company to have one site accept these calls while another would not.

In addition, it would create other differences with respect to the staffing, expense and comparison issues. In general, sales representative calls tend to be more involved and more lengthy than policyholder calls. Thus, they could be more expensive to handle and could distort average times between the two sites. In addition, no guidelines exist with respect to the types of inquiries to which Teleservices should respond.

Recommendation/Action

It was the feeling of the Natural Work Team that support to the Field Force was a separate issue from Teleservicing and could not be resolved by this group. Additional study is required to determine if additional support is required for the Field and, if so, whether or not it was economically feasible and whether Teleservices would be the best means of providing that support. It was agreed that if such support was to be provided by Teleservices, it should be through a separate number other than 800 + MET-LIFE.

In the meantime, it was agreed that both sites should establish a consistent policy with respect to handling calls from sales offices and sales representatives. The Tulsa Teleservicing site will discontinue accepting these calls and instead direct the representatives to other sources for the information such as SONIC, their own office staff or their respective Head Office.

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COMPLAINT TRACKING

Complaint definition and tracking is another area of difference between the two sites. Separate approaches have developed in the absence of any uniform Corporate direction. However, both sites firmly believe that Teleservicing provides a unique opportunity to serve as a central focal point to gather, record and track customer feedback and complaints. In the present environment, both sites have made considerable effort to see that the cases defined as complaints receive a high level of priority and attention within the work areas.

The group believes that the Company could benefit from thorough analysis and tracking of these complaints. However, there has been no demonstration on the part of the Company as a whole that there is any interest at the Corporate level in taking advantage of this increased level of complaint tracking and feedback.

Recommendation/Action

The group believes a decision is required as to whether or not there will be any Corporate involvement or interest in the complaints surfaced through Teleservicing. If so, a uniform definition and approach to complaints should be developed. In addition, the group believes a new organizational commitment is required, if not at the Corporate level, then at least within Personal Insurance.

It is felt that some Corporate or Personal Insurance entity should exist that tracks and reviews these complaints. This individual or organization should have the authority or at least a strong voice in seeking corrective action and/or systems changes and enhancements for those areas that are out of the direct control of Teleservices.

Special consideration may want to be given to addressing those complaints received which involve Account Representatives or sales offices. Consideration could also be given to integrating the Consumer Relations function with Teleservices since the vast majority of complaint activity is received via 800 + MET-LIFE.

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If it is determined that a strong Corporate or Personal Insurance approach to the complaints is not warranted, then the two Teleservicing sites need to reach agreement as to what constitutes a complaint and what tracking, if any, will be done by the Teleservicing operation.

CUSTOMER FEEDBACK

Complaint tracking can provide ample amounts of negative customer feedback. The group agreed that some effort should be made to obtain *routine, ongoing* customer feedback relative to the service provided through Teleservices and by Personal Insurance in general.

It was believed the best way to do this would be through an ongoing mail survey similar in focus to the recent survey provided by P.I. Market Research. It was felt that random callers could be selected from the TMOS file to receive the survey. If adopted, a flexible survey process should be established. A "general" survey questionnaire would be developed for random callers. However, there should be flexibility within the survey process to target *specific* transactions, policies or callers if so desired with the ability to modify the survey questions accordingly.

Recommendation/Action

The Natural Work Team recommends that approval be granted to spend unbudgeted funds for the development and implementation of an ongoing customer service survey.

CONSERVATION

The group agreed that the attempted conservation of business and assets should probably be a fundamental responsibility of Teleservicing. However, in the absence of a conservation tracking system, it was impossible to estimate the positive impact of the conservation efforts or justify the expense associated with the additional training, monitoring and call times.

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It was agreed that a conservation tracking system is required. An electronic tracking system is the only practical way to begin to measure conservation results. The results need to be known for a couple of reasons. One is to determine if the expense associated with the conservation effort is justified. Secondly, in order to properly motivate the CSR's to engage in this activity, it is important that individual success can be demonstrated.

The implementation of a tracking system will require that both sites carefully examine the conservation activity and attempt to develop uniformity in determining what will constitute a conservation attempt or activity. Both sites also need to share successful techniques and approaches.

Conservation activity as defined by Teleservices would include:

- Avoidance of cash surrender by educating the policyholder as to the benefits of the policy or offering alternatives if the need is strictly financial.
- The impact Teleservicing has on potential lapses and cash surrenders by having the 800 number printed on all non-forfeiture lapse letters. Many policies are reinstated as a direct result of the CSR's effort. It will be difficult to establish which of these cases may have lapsed or been cash surrendered without the CSR's intervention.
- A strong potential also exists to train all or some CSRs in how to deal effectively with the customer when replacement has been identified as being involved. This effort must often be in concert with the Account Representative.

Recommendation/Action

The Natural Work Team agreed that while conservation and corresponding tracking was an important Teleservicing responsibility, it did not appear that the complete development and implementation of a tracking system was something that could be completed in 1990. It is expected that the business requirements for the tracking system will be addressed in 1990.

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CSR RECORDING

The Natural Work Team agreed that extensive recording and listening to the Customer Service Representatives was essential to the success of Teleservices. This is required to ensure that calls are being handled properly, correct information is being given and that individual training needs are identified. While listening alone will be essential, some portion of the monitoring should include actual review of the systems and records to ensure that the action taken by the CSR was accurate and appropriate. In addition, this monitoring will be required to ensure that appropriate conservation and sales lead generation techniques are being fully utilized by the CSR's.

At the present time, this recording is presently handled in both sites using small recorders capable of recording one CSR at a time. Equipment was discussed that would be capable of recording all CSRs simultaneously. This equipment was investigated in conjunction with the concept of "voice authorization" for some transactions. While the technology does not presently exist to provide a practical approach to "voice authorization," some advantages to temporarily maintaining a recording of all calls received were discussed. However, it was the consensus of the Natural Work Team that this was not an issue that had to be addressed immediately.

Recommendation/Action

The Natural Work Team agreed that no specific action was required on this issue at this time. However, the team did want recognition and understanding that in order to ensure quality and consistency in an environment of approximately 50 CSR's for each site, extensive recording and monitoring would be required. This, in turn, will require individuals (or their equivalents) within the organization to perform this function.

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Attachment C

Page 1 of 4

P4011070402

Wichita Electronic Task List:Current

1. Automated Referrals.
2. UL II Change of Address.
3. Work In Process (WIP).
4. Check-O-Matic Stops.
5. Maintenance.

Short Term

1. Add UL plan code and name to PF14.
2. More visible warning message.
3. Variable purge criteria.
4. More policy reminder on CHA screen.
5. Add alternate phone number on Base screen.
6. Add sex of caller on Base screen.

Long Term

- * 1. TMOS call record update.
Let another unit update but not alter TMOS records.
- * 2. New Warning System.
To spot agents who left Metropolitan but are still trying policyholder information.
- 3. Formatted quotes.
Provide a way for quote information to be incorporated without a CSR needing to format the information.

* Currently Being Analyzed

Attachment C

Page 2 of 4

MP4011070403

- * 4. Quote information automated via TMOS.
(This eliminates Item #4) -- Have TMOS save the quote information in a separate file that can be retrieved upon CSR request via PF11 processing.
- * 5. PF11 calculate mode change
List modes available and calculate the premium payment required for the mode chosen.
- * 6. Process Death Claims first notice via TMOS.
Interface with both PIOS and DCWS to determine if a death claim had already been requested and, if not, prompt the CSR for the necessary information for TMOS to send a request to DCWS for overnight processing.
- 7. Quotes for Cash/Loan/Dividends via TMOS.
Includes analysis of letter generation as part of Item #5.
- 8. Payments for Loans and Dividends.
- 9. XXNotes.
Would like to have more than 18 lines of notes area.
- 10. Word Processing capability for Notes area.
Further evaluation to determine what to be done on the PC LAN and what should be done on the mainframe.
- 11. PF11 Processing to order coupon books.
- 12. PF11 Processing to order 8-Vals.
- 13. More than 7 policy lines on TMOS.
- * 14. Conservation Tracking.
Business Requirements need to be established.

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* Currently being Analyzed

Attachment C

4011070404

- * 15. **Cash, Loan and Dividend support.**
Make changes to support the use of TMOS on the Cash, Loan and Dividend Unit
- 16. **Change of Name for Industrial Campaign.**
Deferred.
- 17. **Management Information Reports (MIS)**
Needs to be determined exactly what MIS information and statistics are relevant to accurately depict the teleservicing expansion environment.
- 18. **Cost Projection Model.**
A model of teleservicing cost related areas will be assembled by Wichita with the input from Tulsa and Warwick teleservicing units.
- 19. **CallPath enhancements.**
If enhancements are required, the following are areas for consideration:
Abandoned calls online and MIS reports.
- * 20. **Policy Facts display.**
Further discussion needs to occur to determine the overall design.
- 21. **Values Screen.**
Design a screen to display the various base amount of insurance (i.e., Decreasing term, family policy, Econ-O-Matic, etc.).

Other Electronic Support

- 1. Automated correspondence with transaction specific forms.
- 2. Online Payment History

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* Currently Being Analyzed

Attachment C

3. Full beneficiary/contingent and owner/contingent information available online.
4. Eliminate policy endorsement requirement for beneficiary changes.
5. EDCS - Ability to retrieve check numbers by policy number.
6. Reengineer the Dividend System(s) - particularly for the Account side
7. Account to Notice conversion.
8. "Quick Quotes" on Account Premium Paying
9. Umbrella sign-on
10. Notation on PLOS when notices are processed and when premiums are received.
11. Customer File daily updates.
12. Implement a tracking system for conservation and sales leads via the customer file.
13. In conjunction with the daily updates, allow for the splitting and combining of households.

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MP4011070405

Attachment B

Page 1 of 2

Teleservicing Natural Work Team
"To Do" List

MP4011070406

<u>Item</u>	<u>Target Date</u>	<u>Assigned To</u>
1. Produce Mission Statement	03/01/90	Schoos
2. Determine Corporate Position On Complaint Handling	05/01/90	Donnelly
3. Get approval for ongoing customer feedback survey	05/01/90	Donnelly
4. Establish secondary NWT to review sites & discuss: a) General procedures, quality control, training, etc. b) Supervision	04/15/90 04/15/90	Knott/ McCraw
5. Develop conservation tracking business requirements	06/01/90	Green
6. Move "Infobot" to different number	ASAP	Rayl
7. Identify cost benefits/savings	06/02/90	Schoos
8. Find out what projects are upcoming for costs/staffing (i.e. Industrial). Convey need to be involved with planning (meeting with Michael Spalter).	02/26/90	Rayl/ Schoos
9. Work on undeliverable Snoopy Postcards with PICX, TMOS and software vendor to produce recommendation.	03/15/90	Saunders
10. Look at Metromatic Households that have a New York address of "1 Madison Ave., NY, NY 10010" as the street address and are being returned.	03/15/90	Saunders
11. PICX Support Issues meeting. Representatives from CeHO, NeHO and WISC to generate list. a. Status of Client File Agenda. b. Household address. c. Communication and responsiveness.	03/15/90	Saunders
12. Close/Up Software evaluation.	Not Determined	Knott/ McCraw/ Saunders
13. Arrange for Marvin Gross to evaluate color monitor.	02/28/90	McDowall
14. Renotification - find out the frequency of Renotification mailings by the various projects. Meet with the Renotification project team and publish a memo on what they can accommodate.	05/01/90	Saunders

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Attachment B

Teleservicing Natural Work Team
"To Do" List

MP4011070407

<u>Item</u>	<u>Target Date</u>	<u>Assigned To</u>
15. Meet to work out business requirements to support Cash/Loan/Dividend activity on the Electronic agenda	02/26/90	Knott/ McCraw/ Green
16. Consult with Larry Vranka for guidelines so Teleservicing can process name changes.	03/15/90	Rayl/ Schoos
17. Recommend information needed for MIS reporting.	04/01/90	Goodwin/ Hanes/ Long/ Davies/ Saunders
18. Produce the 1990 Development Plan.	04/01/90	McDowall
19. Publish minutes of Natural Work Team Meeting	02/26/90	Saunders
20. Manage Electronic Enhancement Tracking	05/01/90	Saunders
21. Cost Project Model	06/01/90	Knott/ McCraw/ Saunders
22. Determine how to notify holders of newly issued policies	05/01/90	Saunders

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MP4011070408

Mr. Vincent J. Donnelly
Vice-President
Personal Insurance Quality & Planning

Re Teleservices Article

Vince, enclosed is a draft of the article you asked that I write. I have no idea whether this is anything like what you want. I have tried to cover what I thought were the major issues within Metropolitan. However, it's probably too long and you may wish to make some cuts.

I have also enclosed a copy that has extra spacing for editing purposes. If you would like changes or would like me to rewrite it from an entirely different perspective, please let me know. It won't hurt my feelings. I just need to get a better feel for the direction you would like to go with it.

I'll be happy to do any editing or rewrites if that's easier for you.

J. L. Rayl
Manager
Teleservices - Cash/Loan/Dividend
Central Head Office

February 5, 1990

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Teleservices
THE QUALITY INITIATIVE
For Personal Insurance

MP4011070409

File Date: 2/05/90
Article Written for Vince Donnelly

A recent article in "Across the Board" magazine was entitled:
"Coming: The Customer Service Decade"

As discussed in this article, Quality was the watchword in the 1980's. In the 1990's, it's going to be high quality Customer Service. Piece after piece in the leading business publications today is focusing on the value and importance of providing first class customer service. Books such as "The Service Edge" by Ron Zemke are becoming the procedure manuals for companies interested in improving their customer service operations. Speakers such as Tom Peters are in high demand to address the quality service issues.

At the same time, these sources are often pointing out the expense associated with failing to provide high quality, customer oriented service. This expense comes in many forms, but one of the most significant is the enormous amounts of lost revenues resulting from the loss of future sales. These lost sales are not only those from potential buyers, but a large percentage also come from the existing customer base.

For most well established companies, a large portion of their revenue comes from repeat sales. If the customer has become dissatisfied with the level of service being provided or doesn't feel any sense of loyalty or identification with the current company, they are easy prey for competitors. In some cases they may just be attracted to a competitor that has a better reputation for providing service after the sale.

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What is Metropolitan and, more specifically, Personal Insurance doing to maintain their competitive leadership? Through the vision and foresight of Executive Vice-President Robert J. Crimmins, Personal Insurance stands ready to become the industry leader with respect to the Quality customer service delivered to its clients. This is being done with the nationwide expansion and promotion of the highly professional customer service operation provided through its two Teleservicing sites.

For the past few years, clients of Personal Insurance in the Central and Northeastern Territories could initiate or complete every type of service transaction or obtain policy information by just picking up the phone and dialing 1 + 800 + MET-LIFE, toll free. In 1989, the two Teleservicing sites answered over a quarter of a million calls. This service will now be formally expanded to the remaining territories in 1990.

Calls to 800 + MET-LIFE are immediately answered by a highly trained, professional customer service specialist dedicated and committed to meeting or, in most cases, exceeding the customers' expectations. Each Customer Service Representative, or CSR, has spent several weeks in training before ever taking their first phone call.

The amount of training required to deliver this high level of quality service practically defies description. The CSR must be prepared to respond to virtually every type of question or service need that might arise. In some cases, these questions deal with specific provisions of policies that have not been sold for decades. To do this effectively, the CSR's must be trained and familiar with virtually every type of policy sold during the last 100 years. In addition, to respond immediately they must be able to access up to 19 different electronic systems. It's not at all uncommon for a single client to inquire about an old Account policy, a Notice policy and a UL policy, all of which require accessing different systems. If a loan, dividend or tax question is involved, additional systems may have to be accessed.

All of this is done with a very different approach to customer service. The CSR is trained to relate to the caller as though they are working for the customer and not necessarily the Company. The CSR tries to approach each call from the client's point of view. Rather than become defensive if a customer is unhappy, they develop empathy and focus on meeting the customer's need or solving their problem rather than trying to debate what might have gone wrong. Study after study has shown that an unhappy customer can become one of your most loyal if you treat them right and handle their complaint effectively. More importantly, these satisfied customers are almost always a source of potential future revenue.

There are many benefits to providing improved service through a Teleservicing environment. These include:

Increased Customer Contact = Identification of Sales Opportunities

It has been demonstrated that Teleservicing is an effective way to "stay in touch" with our customer base. After a policyholder has used the toll free number a time or two, he or she is much more likely to call back and report a change of address or just ask a simple question.

All of this leads to more opportunities to identify major life events and associated financial service needs. A simple change of address may signify a change in family or marital status or a new job in another location.

Simple questions concerning a dividend, loan or other policy provision may lead the caller disclose valuable information that can relate to a present or future financial service need. Whenever possible, the CSR will approach this information from a service perspective to determine if the caller might like to discuss the situation further with an Account Representative. Potential sales leads developed are forwarded to the sales office via SONIC for immediate attention.

Conservation of Business & Assets

Teleservices has demonstrated that it can have a very positive impact on the conservation of existing business and assets. The Teleservicing environment permits "one on one" discussion whenever a policyholder is considering a cash surrender or requests quote information. The quote or surrender request is no longer just another "piece of paper" to be processed but is a real live customer.

Every CSR is trained in conservation techniques. If a caller wants cash value information, the CSR attempts to determine the reason for the request. If the need is strictly financial, the CSR can offer alternatives such as a policy loan or dividend withdrawal. If potential replacement is involved, the CSR can immediately point out the ramifications of surrendering a policy that has been in force for any length of time. This would include pointing out to the policyholder the real "net" cost of the existing policy when dividends and annual cash value build-up is taken into consideration.

No cash surrenders are processed by phone. If a policyholder insists on surrendering a policy, the appropriate forms are mailed. The inforce Account Representative is notified overnight of all calls to 800 + MET-LIFE through the Teleservicing Call Report which is available through SONIC.

In addition to these two major benefits of Teleservices, there are many others. Teleservicing enables us to:

Improve the Integrity of Electronic File Information

Incorrect addresses continue to be a major problem for every line of business. Every phone call is the opportunity to verify that we have the correct address, phone number and social security number on file. It will also give us the opportunity to gather other information which may be useful to maintain on the Client File (PICX) for future marketing campaigns.

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Eliminate the Errors and Confusion Created Through Written Correspondence

Many policyholders are unfamiliar with their specific policy provisions and insurance terminology. Many written requests for service or information are received where it is difficult to be certain exactly what the policyholder wants. This is eliminated with the ability to speak directly with the customer and clarify any confusion or misunderstanding.

Better Know and Understand Our Customers' Needs

The increased personal contact enables us to gain valuable information from our customer base that will help us better know and understand their needs. In addition to the financial service needs identified during the regular course of business, Teleservicing will provide unlimited opportunity to survey our customers. We can obtain information or reactions to existing products and services as well as conduct surveys on any proposed changes we might wish to make in our portfolio.

Provide a Consistent Level of Quality Service

Teleservices provides an environment where uniform training, standards and practices can be established for delivery of our Customer Service. Changes are made almost daily to our systems, products or transaction procedures. Keeping pace with these changes requires an extensive ongoing training program. At the same time, it enables us to ensure consistency in a cost effective manner for the way service and information are provided.

Meet and Exceed Customer Expectations

In today's marketplace, superior customer service will give Metropolitan the "competitive edge." One of the most effective ways to be certain that we are meeting or exceeding customer expectations is through the enhanced communication available through Teleservicing.

Many of the callers have been very explicit in letting us know whether expectations have or have not been met. Evidence that we are frequently exceeding customer expectations has been demonstrated by the many complimentary letters received by Teleservices about the service rendered.

Support For Special Campaigns

The existence of the Teleservicing operations provides Personal Insurance with the resources and equipment available to support a wide range of campaigns. In the past, the 800+MET-LIFE number has been used in conjunction with a number of special campaigns such as the Loan Repayment Campaign, Loan Interest Repayment Campaign, DWI to AI (Converting policies with Dividends held at Interest to Additional Insurance), and most recently, the highly successful Industrial Campaign for the states of Connecticut and Rhode Island.

Support to the Career Agency Force

The establishment of the Teleservicing operation is not intended or designed to interfere with the service provided or the client relationship established between the Account Representatives and their policyholders. In fact, it is just the opposite. Teleservicing is designed to support and enhance that relationship.

Teleservicing ensures that all policyholders have immediate access to information or service. Where a strong client relationship has already been established, the Account Representative can direct whether he or she desires to provide all needed service to the policyholder. It has been our experience that many representatives prefer to have their clients call 1+800+MET-LIFE for routine questions or service matters. They are informed of the call through the Teleservicing Call Report and they know that the CSR's are always striving to support the Account Representative's efforts.

At the same time, Teleservicing will benefit all Representatives. It is the objective of Teleservices to become the leader and set the standard throughout the industry for the delivery of superior customer service after the sale. This will serve to enhance both the Company's and the Representative's image with the clients and potential customers.

MP4011070415

There is little doubt that providing high quality customer service will become the primary marketing strategy for many companies during the 1990's. However, for Metropolitan and Personal Insurance, this will not be something new. We've been doing it for several years. Although we have only "scratched the surface" of its extraordinary potential, we have learned a lot about how to manage this type of operation. We will not lose time trying to keep up with the competition by having to establish a Teleservicing capability. We will be the competition.

Our challenge is to expand it as rapidly as possible without compromising the high standards that have already been established and begin to tap some of the tremendous marketing potential that it offers.

Bob McDowall
Programming Manager
Wichita Information Systems Center

Re Teleservices Natural Work Team Meeting

Bob, I have reviewed your EM message concerning the Natural Work Team Meeting. I have a slight problem with the week of the 29th. That is the week of our Territorial Meeting. It starts on Tuesday, January 30 and runs through noon on Thursday, February 1. I have no problem missing it personally if this is the most suitable time for everyone else. However, if it is determined that Barbara Gardner should be there, there could be a problem.

Vince Donnelly was out here last week to discuss our expansion into Great Lakes and the other territories. During his visit, we discussed some of the issues I feel the Natural Work Team needs to address. While you have some of these on your agenda, I think there are many others. It is my feeling that we should all have a sense of direction as to just where Teleservicing should be trying to go and what we expect it to be like when we get there. We have suffered from a pronounced lack of direction. Even though there are many issues which will be impossible to address during expansion, we should all share the same general "vision" of what we want it to be.

In conjunction with this, there are decisions that have to be made at levels much higher than ours. However, we now have an opportunity to have this project driven by the NWT. Therefore, I think we should all get together and define our vision of Teleservicing. At the same time, we should put some of the critical philosophical issues on the table and ask that we be given some direction. Vince had suggested that perhaps we could meet for two or three days and then invite him back for the last day. At that time, we could present the issues and either get immediate decisions or at least confirmation that these should be put forward to the Planning Board for discussion and decision.

Examples of some of these items are as follows:

Sales Lead Generation

Even if this can't be addressed during expansion, I think we need to know if this is ultimately going to be a part of our responsibilities. If so, how do we see it being done? What do we see as some of our needs in accomplishing this? One example that comes to mind is a revised or supplemental compensation system that gives the CSR's a direct monetary reward for sales leads that result in a policy being issued.

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MP4011070416

We should be thinking about this now and telling the Company how we think it should work rather than wait until someone else tries to tell us what we should be doing. Someone else may also need to be working on such things as the compensation issue. That cannot happen overnight.

Support To The Sales Offices

I think we can probably all agree that our sales offices and representatives need help. However, is help going to be provided through Teleservicing? Is this something that we will do during or after expansion? If not, how are such calls and communication to be handled with the sales offices regarding the responsibilities of Teleservicing? We should be uniform in our approach during expansion. If this is something the Corporation wants us to do, then the additional costs must be considered. At any rate, this is a philosophical issue that should be decided.

Complaint Tracking & Customer Feedback

Teleservicing provides the Company with a unique opportunity to track complaints and obtain customer feedback on a wide range of issues. Conceivably, we could even be conducting customer surveys while handling calls. Again, this may not be practical during expansion but what about afterwards?

As I can attest, fully tracking complaints is a time consuming task which clearly has some direct expense associated with it. There has never been an operation in the organization that has been in a position to do this the way we could. BUT, someone has to decide if Teleservicing will be expected to fulfill this role. At some point, it could make sense if we encompassed the entire Consumer Relations activity including the reporting activity for the complaints and feedback received. Again, this is only if someone cares. I would like to see us obtain some feedback and direction now as to whether or not we will be expected to do something in this area. If so, then we need to develop a uniform philosophy and point out that there are additional costs associated with it.

CSR Recording

With the numbers of CSR's we'll have, I feel the only way we can ensure quality and proper training is to have ongoing voice recording of all CSR's. The equipment available today would allow us to research specific calls or "download" specific CSR's to cassette. The nature of the quality audits completed may be up for negotiation. However, I think we should all have some formal "monitoring" mechanism in place to just "listen" periodically to each CSR. I don't think the regular telephone monitoring is adequate. I say this based on the hours of recordings I have personally listened to. However, again this is a philosophical issue that should be addressed or at least put on the table. If we are going to do it right, then we need to invest in the proper equipment.

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Bob, I'm sure there are other items. I really think we should start out the new year by surfacing all these issues and putting our positions forward. Then, let the powers that be provide the direction. I believe we'll be way ahead of the game if we are the ones that put them forward rather than have any of them driven from the top down.

The sales leads issue is a classic example. The OIC's and marketing people tend to think this is very easy to do and we should be doing it. We know from experience that it is much more complex and will require a lot of thought and effort before we can develop an effective program. However, it would be a lot better for us if we start addressing this upfront rather than be told at some later date there were expectations that we didn't meet. We need to educate a lot of people about many aspects of this activity.

At any rate, I think we do need to get together and have a real thought provoking work session. I think the initial session should be without Officers but perhaps they could spend some time with us at the end. However, I'll go along with whatever everyone decides.

J. L. Rayl
Manager
Teleservices - Cash/Loan/Dividend
Central Head Office

January 15, 1990

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**Teleservicing Mission Statement
December 11, 1989**

The Teleservicing organizations have been established to place Metropolitan in a position of strategic advantage and industry leadership by giving the customers of Personal Insurance a consistent level of superior Quality customer service and support which exceeds expectations. Included in the accomplishment of this mission are the following:

Developing highly trained Professional Customer Service Representatives knowledgeable in all Personal Insurance products and capable of providing expert information and advice relative to service transactions.

Initiate and become a driving force within Metropolitan for the development of the necessary electronic systems and support required to provide responsive, quality service in a Teleservicing environment.

Facilitate and establish increased personal customer contact thereby giving Metropolitan the opportunity to better know and understand its customers' needs. This increased customer contact will provide more opportunities to identify potential insurance and financial service needs which can be passed along to our Career Agency Force.

Improve the integrity of existing electronic file information and use the contact opportunity to record additional information which may be useful now or in the future for general or specific marketing efforts.

Positively impact the retention of inforce Company business and assets through a proactive conservation program and through a cooperative effort with the Career Agency force.

Enhance customer loyalty and improve the retention of business and assets through the education of the policyholder base concerning the value of their product(s) by explaining or reminding them of its specific benefits, policy provisions and available options in the event of financial need.

Improve productivity and quality of the administrative operation through the elimination of errors and confusion created through written correspondence.

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MP4011070420

Vincent J. Donnelly
Vice-President
Personal Insurance Quality & Planning

Re Agenda - Teleservices Planning Meeting

Vince, attached is my list of the items that I would like to see discussed at our forthcoming meeting. I also spoke with Kathy Schoos and she will be sending you her list of agenda topics. I explained to her that this was just between "the three of us." I do not care how these get on the agenda or by whom. It would just be nice to deal with the real issues confronting Teleservices.

If there's anything else you need or that I can do, please let me know. Have a nice Thanksgiving!

J. L. Rayl
Manager
Teleservices - Cash/Loan/Dividend
Central Head Office

November 21, 1989

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Potential Agenda Items - Teleservices Meeting

Establish a firm commitment, timeframe and geographic area for immediate expansion exclusive of any future decision on an additional site(s)

Define/establish the primary "Mission/Focus/Objective" for Teleservices for the immediate future (During the Expansion)

Define/establish the organization. What responsibilities/role should each of the Teleservicing sites have - Define the role/responsibilities & authority of Vince's and Len's organization

Determine who will define/decide/control priorities for the Wichita TMOS development team - Will primary focus be on immediate needs or futuristic projects (i.e., Voice Response, Work In Process, Automated Communications)

Discuss the need for a "Corporate" Teleservicing strategy/control/authority and where this authority should be organizationally. Scranton Electronic Projects report differently than TMOS - There is a strong need to have coordination among these projects so all are thinking of electronic needs in a Teleservicing environment - PIOS/CWS/DCWS

During the expansion process, WHAT ongoing measurements should be reported to Corporate management and by WHOM?

Should we - is there time - to review the major Electronic Priorities relating to a Teleservicing environment?

Define/Decide who will control decisions on peripheral issues such as Voice Response and how much energy/resources should be devoted to these areas

Discuss the future direction/capabilities of the LAN (Local Area Network) 3290 replacement - It already has severe limitations, black/white monitor, PC/CICS compatibility, etc.

Determine the role Teleservices should play in providing support (if any) to the Field Force during expansion. Consider the impact of formally/informally handling sales rep/office phone calls

Discuss the potential impact of the "Industrial" Campaign on Teleservices sites

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MP4011070421

Vincent J. Donnelly
Vice-President
Personal Insurance Quality & Planning

Re Number of Teleservicing Sites

Vince, enclosed is your "one page" list of considerations for limiting the number of Teleservicing sites. As you might suspect, it was a real challenge for me to confine this to one page (and I did have to stretch the page a bit). However, I think this covers all the real valid issues as far as the arguments for limiting the number of sites.

On the other side of the argument, I don't think there's too much to say except that each Head Office wants its own for obvious reasons. I understand this and how every other office views the lack of their own Teleservicing site as a threat to their future. However, the Company needs to consider what is likely to be the right decision for five years from now and not just today. I know I am biased on that one but I do firmly believe that no more than two sites is the right decision for the Company and not just Central.

One point we did not cover, but I'd be glad to discuss, is the fact that I don't think there is any particular need for a Teleservicing site to have a Premium Payment operation. We can access pending payments in any office (through MINQ) and we haven't really had much of a problem.

At any rate, I hope this is along the lines of what you were looking for. If not, please let me know. I hope all went well in Houston and you had a smooth trip home. Let me know if there's anything else you want me to do.

J. L. Rayl
Manager
Teleservices - Cash/Loan/Dividend
Central Head Office

October 23, 1989

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Considerations for Limiting Number Of Teleservicing Sites

Expense Related

Training Staff/Supervision - There would be significant costs associated with duplicating training staff, supervision and support staff. A sizable base staff is required regardless of the overall size of the operation.

Advancing Technology - The potential cost of replacing phone systems and other electronic equipment is substantial should upgrades be advisable. A new phone system may be required at an existing site to expand locations. Phone System cost is \$500,000 and up.

Line Costs - There are efficiencies and economies by centralizing phone lines (T-1 & Megacom)

Peak Volume - Coping efficiently is The most difficult management challenge. It is compounded in multiple sites and, overall, would require more CSR's than if centralized in two sites.

Staffing/"Burnout" - In smaller sites, it is difficult to maintain adequate "off the phone" time, (for training, etc.). This leads to CSR "burnout" and turnover. Turnover is extremely costly because of the training investment. In a larger site, it is easier to manage and predict peak volume periods and schedule ongoing training for small groups of CSR's. In a small organization, ongoing training suffers substantially because it can only be accomplished by "shutting off the phones" and training ALL CSR's simultaneously.

Training/Program Development - The development and implementation of training and marketing programs (i.e., Sales Lead Generation) take a great deal of time, effort and resources. This cannot be done cost effectively or consistently in multiple sites.

Service Level - In a small organization the impact of the loss of a single CSR can affect service level (hold time/abandons) during peak periods. This is much harder to manage in a small site and could only be resolved by excess capacity at each site.

Other Considerations

Corporate "Vision" - Metropolitan needs a Corporate "Vision" for Teleservices and its impact and interaction with the customer base. This cannot be managed or administered effectively in multiple sites.

Multilingual Skills - Maintaining all the necessary multilingual language skills in multiple small sites would be extremely difficult and perhaps more costly.

Specialization - "Expert" knowledge of some products and/or transactions is required. This is almost impossible to accomplish in a small organization.

Corporate Programs - Handling Corporate Programs such as the "Industrial Campaign" or "Loan Interest Rate Update" program would be very difficult to manage and control from multiple sites. Even if programs were "centralized," each site would still get calls.

Expertise - A lot of what we know about managing Teleservices, the phone system, the CSR selection and training comes from experience. It is still evolving and we are still learning. This cannot be "immediately transferred" to another site. It is a complex operation with instantaneous impact on our customer base.

Policyholder Feedback - With two sites, there is a better opportunity to keep a "pulse" on the customer base and identify problems or areas of policyholder concern.

"Numbers Game" - With more sites, more emphasis would be placed on judging performance by "the numbers." Consequently, this could become management's focus rather than the actual quality of the service delivered.

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MP4011070423